

Required Supplementary Information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The schedules of revenues, expenditures, and changes in fund balances – budget and actual are presented on a budgetary basis (Non-GAAP). A reconciliation of the budgetary fund balance to the GAAP fund balance is shown on the face of each schedule.

The budgetary basis of accounting is substantially the same as the modified accrual basis of accounting in all governmental funds except for the treatment of encumbrances. Encumbrances are included with expenditures in the City's budgetary basis of accounting.

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended December 31, 2004
(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 562,587	\$ 562,587	\$ 586,516	\$ 23,929
Licenses and Permits	14,590	14,590	13,752	(838)
Grants, Shared Revenues, and Contributions	9,697	32,350	22,308	(10,042)
Charges for Services	65,394	59,468	50,230	(9,238)
Fines and Forfeits	15,172	15,814	18,136	2,322
Parking Fees and Space Rent	33,581	33,898	29,493	(4,405)
Program Income, Interest, and Miscellaneous Revenues	117,916	25,885	10,187	(15,698)
Total Revenues	818,937	744,592	730,622	(13,970)
EXPENDITURES AND ENCUMBRANCES				
Current				
General Government	246,456	147,165	120,287	26,878
Judicial	19,725	19,386	19,320	66
Public Safety	309,650	327,551	307,748	19,803
Physical Environment	5,631	5,687	5,670	17
Transportation	7,815	13,672	13,450	222
Economic Environment	16,858	21,892	21,391	501
Health and Human Services	11,050	10,972	10,910	62
Culture and Recreation	5,682	3,596	3,584	12
Capital Outlay				
General Government	9,788	10,674	5,111	5,563
Judicial	-	-	22	(22)
Public Safety	4,750	7,866	6,605	1,261
Transportation	5,829	2,915	-	2,915
Economic Environment	9,557	3,842	-	3,842
Health and Human Services	20	-	-	-
Culture and Recreation	24,009	25,180	12,657	12,523
Debt Service				
Bond Issuance Costs	-	-	25	(25)
Other	-	-	135	(135)
Total Expenditures and Encumbrances	676,820	600,398	526,915	73,483
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	142,117	144,194	203,707	59,513
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	487	487	1,922	1,435
Transfers In	-	853	6,238	5,385
Transfers Out	(211,954)	(220,140)	(216,007)	4,133
Total Other Financing Sources (Uses)	(211,467)	(218,800)	(207,847)	10,953
Net Change in Fund Balance	\$ (69,350)	\$ (74,606)	(4,140)	\$ 70,466
Fund Balance - Beginning of Year			88,908	
Encumbrances Continued from Last Year			11,986	
Changes in Unappropriable Reserves			(3,719)	
Fund Balance (Budgetary) - End of Year			93,035	
Adjustments to Conform to Generally Accepted Accounting Principles				
Reserves Not Available for Appropriation			21,640	
Encumbrances			13,797	
Reimbursements				
Budgeted as Revenues			(30)	
Budgeted as Expenditures			3,734	
Ending Fund Balance - GAAP			\$ 132,176	

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information

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LOW-INCOME HOUSING FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For the Year Ended December 31, 2004 (In Thousands)

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes	\$ 4,287	\$ 4,846	\$ 11,769	\$ 6,923
Grants, Shared Revenues, and Contributions	9,633	10,596	6,165	(4,431)
Charges for Services	222	222	23	(199)
Parking Fees and Space Rent	34	34	32	(2)
Program Income, Interest, and Miscellaneous Revenues	15,382	14,821	9,551	(5,270)
Total Revenues	29,558	30,519	27,540	(2,979)
EXPENDITURES AND ENCUMBRANCES				
Current				
Economic Environment	39,315	43,253	58,319	(15,066)
Capital Outlay				
Economic Environment	54,339	54,344	-	54,344
Total Expenditures and Encumbrances	93,654	97,597	58,319	39,278
Excess (Deficiency) of Revenues Over (Under) Expenditures and Encumbrances	(64,096)	(67,078)	(30,779)	36,299
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	108	108	-	(108)
Net Change in Fund Balance	\$ (63,988)	\$ (66,970)	(30,779)	\$ 36,191
Fund Balance - Beginning of Year			665	
Encumbrances Continued from Last Year			37,293	
Fund Balance (Budgetary) - End of Year			7,179	
Adjustments to Conform to Generally Accepted Accounting Principles				
Reserves Not Available for Appropriation				
Encumbrances			39,453	
Reimbursements				
Pass-Through Grants			(10)	
Receipts Budgeted as Revenues			10	
Ending Fund Balance - GAAP			\$ 46,632	

The accompanying notes are an integral part of these financial statements.

PENSION PLAN INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2004
(In Thousands)

The information presented in the required supplementary schedules was part of the latest actuarial valuations at the dates indicated below:

	Employees' Retirement	Firemen's Pension	Police Relief and Pension	LEOFF Plan 1	LEOFF Plan 2
Actuarial Valuation Date	01/01/04	01/01/04	01/01/04	09/30/02	09/30/02
Actuarial Cost Method	Entry Age	Projected Unit Credit	Projected Unit Credit	Entry Age	Aggregate ^a
Asset Valuation Method	Fair Value	Fair Value	Fair Value	8-Year Graded Smoothed Fair Value ^c	8-Year Graded Smoothed Fair Value ^c
Amortization					
Method	Level %	Level \$	Level \$	Level %/Level \$ ^b	N/A
Period	30.2 years	16.8 years	23.5 years	20 years	N/A
Approach	Open	Open	Open	Closed	N/A
Actuarial Assumptions					
Inflation Rate (CPI)	3.50%	4.00%	4.00%	3.50%	3.50%
Investment Rate of Return	7.75%	7.00%	7.00%	8.00%	8.00%
Projected Salary Increases	4.00%	4.00%	4.00%	11.70%	11.70%
Postretirement Benefit Increases	0.67%	CPI (Seattle) Increase 2% Minimum	CPI (Seattle) Increase 2% Minimum	CPI Increase	CPI Increase Maximum 3%

^a The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

^b Funding is Level %; GASB is Level \$.

^c The actual value of assets is calculated under an adjusted market value method by starting with the market value of assets. For subsequent years the actuarial value of assets is determined by adjusting the market value of assets to reflect the difference between the actual investment return and the expected investment return during each of the last eight years or, if fewer, the completed years since adoption.

The accompanying notes are an integral part of these financial statements.

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PENSION PLAN INFORMATION
SCHEDULE OF FUNDING PROGRESS
December 31, 2004
(In Thousands)

Retirement System	Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) ^a	Unfunded Actuarial Accrued Liabilities (UAAL) ^b	Funded Ratio	Covered Payroll ^c	UAAL as a Percentage of Covered Payroll
Seattle City Employees' Retirement System (SCERS)	1997 ^d	\$1,224,600	\$ 1,266,700	\$ 42,100	96.7 %	\$341,500	12.3 %
	1998	1,375,000	1,326,600	(48,400)	103.6	370,400	(13.1)
	1999	1,582,700	1,403,100	(179,600)	112.8	383,600	(46.5)
	2000 ^e	1,493,100	1,490,300	(2,800)	100.2	405,000	(0.7)
	2001	1,383,700	1,581,400	197,700	87.5	405,100	48.8
	2003	1,527,500	1,778,900	251,400	85.9	424,700	59.2
	2004 ^f						
Firemen's Pension Fund	1999	1,896	87,565	85,669	2.2	N/A	N/A
	2000	1,957	85,908	83,951	2.3	N/A	N/A
	2001	2,354	99,330	96,976	2.4	N/A	N/A
	2002	3,573	98,471	94,898	3.6	N/A	N/A
	2003	4,803	89,071	84,268	5.4	N/A	N/A
	2004	6,221	88,705	82,484	7.0	N/A	N/A
Police Relief and Pension Fund	1999	1,238	88,134	86,896	1.4	N/A	N/A
	2000	2,791	85,862	83,071	3.3	N/A	N/A
	2001	642	89,332	88,690	0.7	N/A	N/A
	2002	-	88,989	89,211	N/A	N/A	N/A
	2003	801	65,418	64,617	1.2	N/A	N/A
	2004	3,252	65,693	62,441	5.0	N/A	N/A

^a Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Method for SCERS and Projected Unit Credit Actuarial Cost Method for Firemen's Pension and Police Relief and Pension.

^b Actuarial accrued liabilities less actuarial value of assets, funding excess if negative.

^c Covered payroll includes compensation paid to all active employees on which contributions are calculated. Not applicable for Firemen's Pension and Police Relief and Pension plans. These plans primarily cover inactive participants and there are no current member contributions.

^d Reflects increased COLA benefits adopted by the City Council after the valuation was completed.

^e These numbers were provided by an actuarial study, rather than a full valuation (from SCERS annual report).

^f The actuarial valuation for SCERS is biennial. The last actuarial valuation was completed on January 1, 2004.

The accompanying notes are an integral part of these financial statements.

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PENSION PLAN INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2004
(In Thousands)

Retirement System	Fiscal Year Ending December 31	Covered Employee Payroll ^a	Actual Employer Contribution ^b	Actual Employer Contribution % ^b	Annual Required Contribution (ARC) ^c	Percentage of ARC Contributed
Seattle City Employees' Retirement System (SCERS)	1999	\$ 370,400	\$ 29,700	8.03 %	4.50 %	178 %
	2000	383,600	30,800	8.03	4.50	178
	2001	405,100	32,700	8.03	3.04	264
	2002	454,500	36,600	8.03	3.04	264
	2003	424,700	34,200	8.03	8.03	100
	2004	456,808	36,800	8.03	8.03	100
Firemen's Pension Fund	1999	N/A	9,167	100	9,167	100
	2000	N/A	8,434	100	8,434	100
	2001	N/A	8,252	100	8,252	100
	2002	N/A	9,480	100	9,480	100
	2003	N/A	9,167	100	9,167	100
	2004	N/A	9,315	100	9,315	100
Police Relief and Pension Fund	1999	N/A	7,234	100	7,234	100
	2000	N/A	10,117	100	10,117	100
	2001	N/A	7,415	100	7,415	100
	2002	N/A	5,955	100	5,955	100
	2003	N/A	7,403	100	7,403	100
	2004	N/A	8,244	100	8,244	100

^a Computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll for SCERS. Not applicable to the Firemen's Pension and Police Relief and Pension because these plans primarily cover inactive participants and there are no current member contributions.

^b The actual and required employer contributions for the SCERS are expressed as a percentage of payroll, after first recognizing \$12 per employee assessment made for the death benefits. This assessment per employee is included in the actual employer contributions reported and has been previously recognized by the actuary in determining the ARC.

^c The City makes employer contributions as a percentage of actual payroll for SCERS as set in City ordinance. Thus, as long as the percentage equals the percentage required by the most recent actuarial valuation, the dollar amount of the ARC is equal to the actual dollar amount of the employer contributions. The City ordinance does not permit a reduction in the employer contribution rate less than the employee contribution rate. Thus, the City's SCERS contributions exceeded the ARC for 1999 through 2001 and resulted in a negative net pension obligation (NPO) amount.

The accompanying notes are an integral part of these financial statements.